



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

May 12, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**EMERGENCY MEDICAL SERVICES APPROPRIATION (EMSA)
STANDARD AGREEMENT FOR FISCAL YEAR 2004-05
(All Districts) (4 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and direct the Chair of the Board of Supervisors to sign the attached EMSA Standard Agreement to accept funds in the amount of \$9.8 million for the reimbursement of uncompensated emergency services provided by non-County physicians for the period of July 1, 2004 through June 30, 2005.
2. Delegate authority to the Director and Chief Medical Officer to approve and sign any amendments to the Fiscal Year 2004-05 EMSA Standard Agreement, upon review by County Counsel and any other required EMSA reports or documents for the EMSA Standard Agreement and any amendments thereto.
3. Delegate provisional authority to the Auditor-Controller to make short-term cash flow advances from the General Fund to the Physician Services Fund as required, not to exceed \$9.8 million, to reimburse non-County physicians for care provided to eligible indigent patients.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Execution of the EMSA Standard Agreement will enable the County to receive EMSA funds for reimbursement of uncompensated emergency services provided by non-County emergency medical physicians during Fiscal Year (FY) 2004-05. These funds were made available through the passage of SB 29, legislation intended to mitigate the crisis in emergency medicine currently being faced by

emergency rooms throughout California as a result of insufficient funding to cover the cost of emergency services provided to uninsured and indigent patients. Receipt of the EMSA funds will enable the County to provide some financial relief to emergency medical physicians in Los Angeles County, thereby helping to ensure the continued availability of emergency medical services.

Delegation of the authority to approve and sign any amendments to the FY 2004-05 EMSA Standard Agreements, and any other required reports or documents will enable more efficient and timely completion of such administrative tasks.

Delegation of provisional authority to the Auditor-Controller to make short-term cash flow advances from the General Fund to the Physician Services Fund (PSF) is necessary due to a delay in receipt of the FY 2004-05 State allocated EMSA funding. In past fiscal years, there was a sufficient amount of prior-year fund balance in the PSF, consisting of SB 612 (Maddy) funds, to continue paying physician service claims pending receipt of the EMSA funds. However, due to declining receipts and increase in the number of claims for services provided to uninsured and indigent patients, these reserves have now been exhausted. The short-term advances from the General Fund will be used to provide necessary cash flow to enable payment of physician claims to continue until the EMSA funds are received to help ensure the continued availability of emergency medical services, and will be repaid in full to the General Fund.

FISCAL IMPACT/FINANCING:

For FY 2004-05, the State has allocated a total of \$9.8 million in EMSA funds to Los Angeles County. As provided under SB 29, the Department of Health Services, as the EMS Agency for Los Angeles County, will use at least \$8.8 million (90%) of these funds to reimburse non-County physicians for uncompensated emergency medical services and up to a maximum of \$980,000 (10%) to cover the administrative costs associated with managing these EMSA funds, as allowed by the provisions of SB 29. The FY 2004-05 adopted budget includes \$9.8 million in appropriation authority in the PSF. The EMSA revenue will be accrued in the PSF at year end if not received by June 30, 2005. There are no net County costs.

The short-term advances from the General Fund are not to exceed \$9.8 million. Any advances of funds from the General Fund will be repaid in full to the General Fund as the EMSA funds are received.

Any unused FY 2004-05 EMSA funds must be refunded to the State, however, it is anticipated that these funds will be fully expended.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On March 9, 2005, the California legislature enacted SB 29 which allocates Proposition 99 funds to non-County emergency medical physicians to help alleviate the growing crisis confronted by emergency rooms throughout the State as a result of inadequate funding to cover the cost of emergency services provided to uninsured and indigent populations. Statewide, for FY 2004-05, the bill appropriates \$ 24.8 million in Proposition 99 Tobacco Tax funds from the Cigarette and Tobacco Products Surtax Fund through the California Healthcare for Indigents Program (CHIP) and the Rural Health Services (RHS) Program accounts to reimburse non-County physicians for uncompensated emergency services. EMSA is separate from the other CHIP and RHS Programs.

The Honorable Board of Supervisors
May 12, 2005
Page 3

Upon execution of the EMSA Standard Agreement, the State will release funds in equal monthly payments. The same policies and procedures utilized to distribute funding under the current Proposition 99 and SB 612 physician programs will be utilized to distribute the EMSA funds. The EMSA Standard Agreement covers the period of July 1, 2004 through June 30, 2005. County Counsel has reviewed and approved the EMSA Standard Agreement.

The delegated authority to sign any amendments to the FY 2004-05 EMSA Standard Agreement, and any other required reports or documents, shall be limited such that the terms and conditions shall not have a significant negative fiscal impact, or significantly increase the duties imposed, on the County.

CONTRACTING PROCESS:

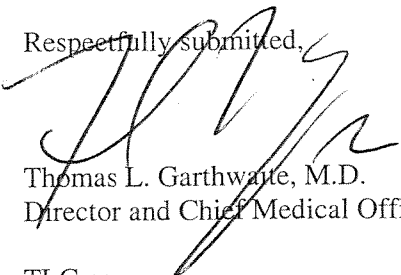
Not applicable.

IMPACT ON CURRENT SERVICES:

EMSA funds will help to ensure continued availability of emergency medical services in Los Angeles County.

The Department requires original signatures of the Chair of the Board of Supervisors on each of the two attached EMSA Agreements, and a Board-Adopted copy of this Board letter delegating authority to the Director and Chief Medical Officer to approve and sign any amendments to the EMSA Standard Agreement, and any other required reports or documents for the FY 2004-05 program.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:sg

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

EMSA FY 0405 ca.wpd

**STANDARD AGREEMENT
EMSA MEDICAL SERVICES APPROPRIATION (EMSA)
FISCAL YEAR 2004-05
COUNTY OF LOS ANGELES**

**ATTEST: Violet Varona-Lukens
Executive Officer-Clerk of
the Board of Supervisors**

**By: _____
Deputy**

APPROVED AS TO FORM:

**By: _____
Edward A. Morrissey
County Counsel**

Date: _____

STANDARD AGREEMENT

EMERGENCY MEDICAL SERVICES APPROPRIATION (EMSA)

FISCAL YEAR 2004-05

County of Los Angeles

The State of California, by and through the Department of Health Services (hereinafter called the "Department"), and the County of Los Angeles (hereinafter called the "County"), do hereby agree as follows:

This Standard Agreement is entered into pursuant to the provisions set forth in Chapter 4, Statutes of 2005 (Senate Bill 29).

As a condition of receiving EMSA monies to reimburse physicians for uncompensated emergency services rendered in fiscal year (FY) 2004-05, the County agrees to all the following provisions:

I. Expenditure Requirements

- A. Use the Hospital Services Account (HSA), Physician Services Account (PSA) and Unallocated Account (UA) monies only for reimbursement of uncompensated emergency services as defined in Welfare and Institutions (W&I) Code, Section 16953.
- B. HSA funds may be deposited into an existing or new account at the discretion of the county to reimburse physicians for uncompensated emergency services consistent with the provisions of W&I Code, Section 16952.
- C. Transfer PSA and UA monies to the PSA in the County's Emergency Medical Services (EMS) fund to reimburse physicians for uncompensated emergency services consistent with the provisions of W&I Code, Sections 16951 and 16952.
- D. Reimburse physicians for emergency services rendered during FY 2004-05.

II. Reporting Requirements

- A. Submit one progress report and one final report of expenditures and physicians data in accordance with the instructions provided by the Department. In addition, counties that submit a Report of Actual Financial Data (Actual) must report the EMSA monies as an expenditure and revenue in the Actual, and report indigent data in their Medically Indigent Care Reporting System (MICRS).

- B. Maintain financial records of the expenditures and physicians data for at least three years after the end of FY 2004-05. These records will be subject to possible review and audit by the State.

III. General Requirements

- A. These monies are only for emergency services to patients who cannot afford to pay for those services and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government. No physician shall be reimbursed more than 50 percent of losses.
- B. The monies shall not be used to reimburse physicians employed by county hospitals and physicians who provide services in a primary care clinic that receives funds from the Tobacco Tax and Health Protection Act of 1988 (Proposition 99).

IV. EMSA Contract Back Program (Rural Health Services Counties only)

RHS counties may have the Department administer their EMSA HSA and/or PSA/UA on their behalf.

V. Administrative Cost

Cost of administering HSA, PSA, and UA funds shall not exceed ten percent (10%) of the total EMSA monies.

VI. Recoupment

EMSA monies shall be returned to the Department if they are not encumbered or expended within the fiscal year according to this Standard Agreement and the requirements of Chapter 5 (commencing with Sections 16930 and 16940) of Part 4.7 of Division 9 of the W&I Code. (W&I Code, Sections 16930 and 16940.)

VII. Dispute Resolution Process

- A. A County grievance exists whenever the County believes there is a dispute arising from the Department's action in the administration of an agreement. If the County believes there is a dispute or grievance between the County and the Department, both parties shall follow the procedure outlined below:
 - 1) The County should first discuss the problem informally with the Department's program manager. If the problem cannot be resolved at this stage, the County shall direct its grievance together with any evidence in writing to the program Branch Chief. The grievance shall state the issues in the dispute, the legal authority or other basis for the County's position

and the remedy sought. The Branch Chief shall make a determination on the problem within ten (10) working days after receipt of the written communication from the County. The Branch Chief shall respond in writing to the County indicating the decision and reasons thereof. Should the County disagree with the Branch Chief's decision, the County may appeal to the second level.

- 2) The County must prepare a letter indicating the reasons for disagreement with the Branch Chief's decision. The County shall include with the letter a copy of the County's original statement of dispute, any supporting documents, and a copy of the Branch Chief's response. This letter shall be sent to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division funding this agreement, or his/her designee, shall meet with the County to review the issues raised. A written decision signed by the Deputy Director of the division funding this agreement, or his/her designee, shall be returned to the County within twenty (20) working days of receipt of the County's letter.

- B. Unless otherwise stipulated by the Department, dispute, grievance, and/or appeal correspondence shall be directed to the Department program manager.

THIS AGREEMENT FOR FUNDING HAS BEEN APPROVED BY THE BOARD OF SUPERVISORS AND IS HEREBY EXECUTED.

State of California

Signature: _____

Name: Gregory A. Franklin, M.H.A.

Title: Deputy Director, Health Information and Strategic Planning Division

Date: _____

County

Signature: _____

Name: _____
(Please print or type.)

Title: _____

Date: _____